



**SCOTTSDALE AIRPORT ADVISORY COMMISSION  
PUBLIC MEETING  
Scottsdale Airport Terminal Lobby  
15000 N. Airport Drive, Scottsdale, AZ**

**May 11, 2011**

**MINUTES**

**PRESENT:** Gunnar Buzzard, Chairman  
John Washington, Vice-Chairman  
William Bergdoll  
Michael Goode  
William Schuckert  
Lois Yates

**ABSENT:** Ken Casey

**STAFF:** Gary P. Mascaro, Aviation Director  
Shannon Johnson, Management Analyst  
Kate O'Malley, Planning & Outreach Coordinator  
Chris Read, Airport Operations Manager

**CALL TO ORDER**

Chairman Buzzard called the meeting to order at 6:00 p.m.

**ROLL CALL**

A formal roll call confirmed the presence of Commissioners as noted above.

**AVIATION DIRECTOR'S REPORT**

Mr. Gary Mascaro, Aviation Director, reported that the Eagle Statue rededication ceremony will take place from 7:00 to 8:30 a.m. on Friday, June 3. He encouraged everyone to attend.

The regulatory rewrite process is ongoing. The next scheduled workshop is on May 23 at the Thunderbird Suites.

## **APPROVAL OF MINUTES**

### **1. Approval of Minutes**

Regular Meeting: April 13, 2011

Vice Chairman Washington made a motion to approve the regular meeting minutes of the April 13, 2011 meeting. Commissioner Bergdoll seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Casey was absent.

## **PUBLIC COMMENT**

Mr. Ron Stafford expressed dissatisfaction with the new airport logo.

Mr. Donald Maxwell recalled his time as a member of the Commission. Saying that he represents the majority of the fuel facility permittees in the Airpark, he said that in section 506(d), the sentence reading "No retail aircraft fuel sale shall take place in the Airpark" should be stricken. He distributed a position statement.

Mr. Jeff Schlueter of Southwest Jet Corporate Center supported Mr. Maxwell's position statement. Based on the intent to modify sections 208 and 309, they believe there should be no restrictions on fuel delivery at Airpark fuel farms, other than the restriction on sales to visiting or transient aircraft.

Saying that he appreciates the regulatory rewrite, Mr. John Meyer of SNAPOA said they manage most of the fuel farms. He has heard rumors that the FBOs want to shut down the Airpark fuel farms and supply all the fuel. Another rumor is that there is no quality control of fuel farms. He assured the meeting that the fuel farms are maintained to strict standards, and passed around a copy of the Aviation Fuel Facility Quality Maintenance document approved by the ATA. Furthermore HB 2425 will be enforced as of August 9, 2012, pertaining to fuel quality control. They are already in compliance with these stricter standards. He briefly discussed pricing, noting that fuel farms are costly to operate. He urged the Commission to give serious consideration to these concerns.

Mr. Jim Houtz, an investor in the Southwest Jet Corporate Center, supported Mr. Maxwell's position statement. He said that Southwest Jet has been told they may need to price fuel based on a cost-based system, defined by Airport administration. He pointed out that if everyone in the Airpark went to this system, this would be inadvertent price fixing, which is illegal. Part of the Airport's success is due to the competitiveness in the Airpark, which has made all the operators more successful.

Mr. Mike Leary, representing Legacy Bank Executive Center and the Century Hangar, now owned by Pacific Marine Logistics, asked that the way leases have historically been set up not be changed. They are concerned that a new fixed, reduced income base might be established.

Mr. Greg Ross of Ross Aviation, the company which owns the Scottsdale Air Center, expressed strong opposition to Mr. Maxwell's position paper, which might allow the fuel farms to compete with the FBOs. His understanding is that the fuel facility rights at the

Airpark were granted to comply with FAA requirements with respect to self-service. He noted that the self-fuelling rights at the Airpark are superior to most other places across the country.

Mr. Ross pointed out that the FBOs are also suffering in the current economy, partly because the Airpark operators are able to compete more effectively. They have lost aircraft and the fuel sales that go along with them to the Airpark operators. He argued that the FBOs fuel sales have decreased by 34 percent since 2008. The Scottsdale Air Center represents an investment of \$45 million and is the single largest supporter of the Airport in terms of rent and fees. The investment was based upon the rights provided in the ground lease and in reliance on the reasonable minimum standards and regulations that existed at the time. The Airpark operators did not make their investments on the basis of any such right. Any changes to the documentation that threatens the value of their investment and the rights provided to their lease will be vehemently opposed.

An unidentified man asked to address the meeting. Chairman Buzzard said since he had not completed a comment card, this would not be allowed. He could address a future meeting of the Commission or forward his comments in writing.

#### **CONSENT AGENDA**

1. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business for Sunstate Aviation & Leasing, LLC to conduct Hangar/Shade Leasing Services
2. Discussion and Possible Action Regarding Application for Airport Aeronautical Business for Classic Air Aviation, LLC to conduct Aircraft Washing Services
3. Discussion and Possible Action Regarding Application for Airpark Aeronautical Business for 7689, LLC to conduct Hangar/Shade Leasing Services
4. Discussion and Possible Action Regarding Application for Airport Aeronautical Business for SDL Holdings, LLC to conduct Flight Training Services

Vice-Chairman Washington moved approval of the items on the consent agenda. Commissioner Goode seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Casey was absent.

## REGULAR AGENDA

### 5. Discussion and Input Regarding Update on the Status of the Airport Restaurant

Mr. Mascaro recalled that at the last Commission meeting, Commissioner Casey asked for regular updates about the Airport restaurant.

Ms. Shannon Johnson, Management Analyst, reported that the RFP for the restaurant will be issued tomorrow and will close on June 13. Mr. Mascaro added that staff has received significant requests from several entities wishing to occupy the space. These were held pending staff investigation of an alternative possibility that would have used the entire Terminal Building. That opportunity has faltered and now they are ready to issue the RFP. He noted that the entities that have expressed interest have seen the past proposals and are willing to accept the Airport's proposal as is, with no exceptions or changes, and no requests to rebate rent.

Mr. Ron Stafford told the meeting that when the previous restaurant closed two years ago, City staff had said it would take six weeks to issue an RFP. At the time Mr. Stafford had commented that the lease was currently in effect for the previous restaurant tenant and suggested that the City allow someone to assume the remaining portion of that lease, in the interests of keeping a restaurant at the Airport. In his opinion the Airport is degraded by not having a restaurant.

Mr. Mascaro explained that no one was interested in assuming the remaining portion of the restaurant lease when the last operator left. Based on the situation, the City allowed those tenants to break their lease. When the last RFP was issued, only one bidder came forward and wanted rental credits, which the Airport is not allowed to give per federal regulations. That was the only reason they had to reject the bid. That operator is still interested and may bid again. He added that the lease agreement is the same as Taylor's had. An Airport restaurant is an amenity for the community. He expressed appreciation to Ms. Johnson who had prepared the RFP within a week.

Commissioner Bergdoll said he was a little surprised by the sudden groundswell of interest. Mr. Mascaro said staff had asked the interested parties why they are now interested. They said the economy has changed and see an opportunity. Several people have viewed the premises.

Commissioner Schuckert disclosed that he was involved in the last submittal, prior to being seated on the Commission. He will not be involved in any further submittal from that entity. He is in the process of having his attorney draw up documents to withdraw from the entity. During the last process he learned a lot and now feels that the City management needs to support the restaurant, because it is an amenity. For a restaurant to work at the Airport, he opined that a joint venture would be needed. He reminded the meeting of the history of the restaurant, which was D'Atri's, the Blue Fig, then Taylor's. His associates concluded that these failed because none of them were appropriate for an airport terminal restaurant. He opined that the lease was a factor in Taylor's business failure and hoped that they can look at this objectively and recognize that the landlord has a vested interest in the success of the restaurant.

Chairman Buzzard asked what had made the Left Seat successful back in its day. Commissioner Schuckert said it had an airport theme and marketed to the aviation community, like the successful restaurant currently at Deer Valley. Chairman Buzzard said he would appreciate a good Airport restaurant.

Mr. Mascaro recalled the Left Seat. Although initially the operation was very successful, by the mid to late 90's business started to decline as the area developed and other restaurants opened. The City bought the restaurant equipment to try and help the restaurant stay afloat. When the restaurant owner passed away, the City issued an RFP and D'Atri's was the sole bidder. He assured the Commission that the City wants to help a restaurant succeed. He agreed with Commissioner Schuckert's comments that the City needs to partner with the restaurant operator.

Vice-Chairman Washington added that lack of visibility is a major drawback to the facility. He suggested possibly partnering in marketing and signage could be helpful. He pointed out that the cost to the City would be minimal compared to the \$4 million annual subsidy to the arts.

#### 6. Discussion and Input regarding the Airport Commission Liaison Program

Chairman Buzzard said that Commissioner Casey has relayed he had no comments regarding safety.

Commissioner Goode had nothing to report on Security. The Large Aircraft Security Proposal is still under legal review with the FAA.

Chairman Buzzard had no major inputs regarding the Airport regulations and standards. Commissioner Schuckert commented that there is a lot of work still to be done.

Commissioner Bergdoll had nothing to report regarding planning, development, and redevelopment. Commissioner Yates said she received the first edition of the Scottsdale Airpark e-bulletin. She found it quite good. The bulletin solicited input on Airpark employment zoning districts and a workshop is scheduled for May 16. She urged everyone to stay on top of zoning as the economy rebounds.

Vice-Chairman Washington said he is looking forward to the rededication of the eagle statue.

#### 7. Discussion and Input Regarding Operations Report for April 2011

Airport Operations Manager Mr. Chris Read presented the monthly operations report for April 2011. He noted a slight decrease in IFR numbers for the first time in 15 months. Staff will keep an eye on this statistic, which may have been due to a special event in April 2010. Operational numbers are still around 30 percent lower than in 2008.

Commissioner Bergdoll asked whether helicopter operations were up due to training. Mr. Read said not, it was more likely due to helicopters in the Airpark.

8. Discussion and Input regarding Monthly Financial Reports for March 2011

Ms. Johnson presented the monthly financial reports for March.

Vice-Chairman Washington thanked staff for the improved clarity of the reports.

Commissioner Bergdoll asked why year to date expenses are up by 29 percent. Ms. Johnson cited a number of reasons including renovations to the Customs area.

Chairman Buzzard inquired whether the expenses associated with the planning and outreach coordinator had been included in the budget and Ms. Johnson confirmed that they had. In response to a query from Commissioner Bergdoll, Mr. Mascaro said staff focus on the approved budget rather than the adopted budget. He confirmed that when the Airport was understaffed the salary savings were retained in the Enterprise Fund.

9. Discussion and Input regarding Marketing, Community, and Pilot Outreach Programs

Planning and Outreach Coordinator Ms. Kate O'Malley reported on her activities. Last week a press release about the U.S. Visit Program was picked up by various media outlets.

Staff is creating a marketing video showcasing the Airport. They plan to market the Airport at upcoming trade shows, including the National Business Aviation Association conference. They are developing new materials for trade shows and other marketing efforts and researching ways to use social media to promote the Airport and the City.

Staff is updating the website to make it more user-friendly.

Planning for the Air Fair on November 5 and 6 is under way.

Staff continues to monitor planning and development in the Airport influence area through the City Planning Department. In April three projects were submitted by developers.

Ms. O'Malley reminded the Commission that staff is available upon request to provide updates to HOAs, real estate agents, and other community, pilot, and aviation groups.

The Fixed Wing Pilot Guide has just been updated; copies are available in the Terminal. This is one part of staff's work on voluntary noise abatement procedures. Any complaints received regarding Stage 2 aircraft will be forwarded to the FBOs.

Commissioner Goode complimented Ms. O'Malley on the press release about the U.S. Visit Program.

Vice-Chairman Washington asked how staff identify which aircraft is the cause of a noise complaint. Mr. Mascaro said operations staff monitor all aircraft operations at night after the tower closes. Complaints can be correlated by time and aircraft type. He

emphasized that staff does not make assumptions; if they are not certain who is responsible they will not take action.

Commissioner Bergdoll asked if staff is monitoring use of hangar space for non aviation uses. Ms. O'Malley said they are.

Commissioner Schuckert appreciated the format of Ms. O'Malley's report.

Chairman Buzzard inquired if anything significant had emerged from the outreach to real estate agents. Ms. O'Malley said they had many questions about noise. Her message was to stress disclosure to potential buyers in the Airport area; staff is happy to meet with potential clients to show them what is going on at the Airport.

#### 10. Discussion and Input Regarding Status of Aviation Items to City Council.

Mr. Mascaro presented the monthly listing of items from the Commission to go to City Council. One item is on the May 17 consent agenda. He added that the FAA has approved additional funding to complete Phase I and II. Staff has alerted Landmark Aviation.

#### 11. Discussion and Possible Action to Modify the Airport Advisory Commission Meeting Start Time, Schedule, ad/or Commission Item Calendar

Mr. Mascaro presented the monthly calendar. Chairman Buzzard noted that Mr. Mascaro has a conflict on June 8 and suggested rescheduling the meeting. Commissioner Goode suggested canceling the meeting. Chairman Buzzard said that usually July is the month that the Commission may not meet, based on Airport activity and the Commissioners' summer plans. Mr. Mascaro explained that he will be at the FAA Annual Conference on June 8. Chairman Buzzard suggested moving the meeting to June 9 or 15. After a brief discussion the Commissioners decided to hold the next meeting on Thursday, June 9.

Commissioner Bergdoll made a motion to reschedule the next meeting of the Airport Advisory Commission to 6:00 p.m. on Thursday, June 9, 2011. Commissioner Goode seconded the motion, which carried by a vote of six (6) to zero (0). Commissioner Casey was absent.

#### Commission Summary of Current Events

Chairman Buzzard said it is good to be back from his tour of duty in Afghanistan. He said Commissioner Yates' term on the Commission is drawing to a close. She has been a voice of calm at times when things became heated.

#### Future Agenda Items

None noted.

## **ADJOURNMENT**

With no further business to discuss, being duly moved and seconded, the meeting adjourned at 7:08 p.m.

Respectfully submitted,

A/V Tronics, Inc. DBA AVTranz